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SUBJECT: AUSTRIAN AIRLINES RESUMES FLIGHTS TO IRAQ

REF: A) 07 STOCKHOLM 987 B) 06 VIENNA 609

- 11. Austrian Airlines (AUA) announced February 13 that it would resume regularly scheduled service to the northern Iraqi city of Erbil starting April 2. AUA had suspended its flights to Erbil in August 2007, following an incident in which a Swedish commercial aircraft reportedly came under rocket fire (ref A). Initially, AUA will offer three direct flights a week (Mondays, Wednesdays, Fridays), with plans to add a fourth flight (Sundays) in June. Prior to the 2007 suspension, AUA flew four times a week to Erbil.
- 12. An AUA spokesperson underscored that all security issues have been adequately addressed. An AUA contact told us separately that the Erbil route, which AUA commenced in December 2006, had been very profitable for the company with a load factor of 60-80%. Potential customers include ethnic Kurds living abroad, employees of international organizations and NGOs, and businessmen with connections to the region. The spokesperson confirmed that AUA had no plans to fly to additional Iraqi destinations for the moment.
- 13. On February 2, Iraqi's Mesopotamia Air began flying between Vienna and the northern Iraqi city of Sulemaniya five times a week. An Austrian aviation company provides aircraft, crew, and logistical support for Mesopotamia Air. Our AUA contact downplayed any concerns about competition, pointing out that Mesopotamia's load factors "were very low."

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